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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
284 SOUTH AVENUE
POUGHKEEPSIE, NEW YORK 12601

March 8, 2001

Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Dear Commissioners:

The enclosed Statement of Energy Supply Charge (ESC), ESC Statement No. 3, issued by Central Hudson Gas & Electric Corporation to become effective on March 14, 2001, the billing date for the eighth batch of the Company's March 2001 billing cycle, is transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York regarding change in adjustments.

PSC No. 15 - Electricity

Statement of Energy Supply Charge ESC - 3 Applicable to All Classes

Based on the anticipated sale of the Company's fossil generation in early 2001, the Company did not file fuel cost and sales for resale net revenue targets for the year 2001. Accordingly, the fuel cost adjustment/energy cost factors included in Statement ESC-3 are based on the Company's actual energy supply costs for February 2001. Additionally, these factors, excluding the factors applicable to Service Classification No. 10, reflect the full benefit of the net revenue from all sales for resale made by the Company during February 2001.

Yours very truly,

Arthur R. Upright